

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7217**

**BILL NUMBER:** HB 1972

**NOTE PREPARED:** Apr 14, 2003

**BILL AMENDED:** Apr 3, 2003

**SUBJECT:** Township Assistance Matters.

**FIRST AUTHOR:** Rep. Stilwell

**FIRST SPONSOR:** Sen. Riegsecker

**BILL STATUS:** As Passed - Senate

**FUNDS AFFECTED:** X

**GENERAL  
DEDICATED  
FEDERAL**

X

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has several provisions concerning the township Poor Relief program.

(A) Expands the definition of "wasted resources" to include lump sum payments.

(B) Allows for compensation of a hearing officer who conducts hearings of poor relief appeals. (Current law prohibits compensation of a hearing officer.) The bill requires a board of commissioners and hearing officer to review and consider investigative documents a trustee prepared before making an appealed decision. It also requires a board of commissioners to remand a case to a trustee if new evidence was presented on appeal that would have made an individual eligible for assistance.

(C) Limits: (1) interim medical assistance by a township to 90 days; and (2) prescription drug coverage and insulin to a 30-day supply, unless the drugs or insulin are only available in a container that contains more than a 30-day supply. It also allows an advanced practice nurse to apply for insulin.

(D) Provides that private insurance coverage of the medical treatment received disqualifies an individual from receiving township medical assistance unless the insurance does not pay for the medical assistance due to a policy deductible or other policy limitation.

(E) Requires township trustees to be reimbursed by medical providers for assistance provided by the trustee to individuals who subsequently become eligible for Medicaid. The medical providers are to seek reimbursement from the Office of Medicaid Policy and Planning (OMPP) and upon receiving the reimbursement, reimburse township trustees for the assistance provided.

(F) Requires the preparation of legislation changing the term "poor relief" to "township assistance" in the Indiana Code.

(G) Repeals: (1) a provision stating that a township is not obligated to assist individuals who receive state assistance; and (2) the requirement that the township report to the county auditor quarterly on poor relief.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) See *Explanation of Local Expenditures* regarding potential Medicaid reimbursement to medical providers and, subsequently, to township trustees.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) This bill contains several provisions that potentially can affect costs and reimbursements within a township's Poor Relief program. The aggregate impact that may occur in Indiana's 1,008 township Poor Relief programs cannot be projected and will depend largely on individual trustee actions.

The following are provisions of the bill that could result in reduced costs or increased reimbursements in a township's Poor Relief program.

(A) The bill expands the definition of "wasted resources". Currently, resources wasted by an applicant can be considered by a trustee when granting Poor Relief. Wasted resources are defined as the amount of money or resources expended on items that are not basic necessities in the 30 days previous to application for Poor Relief, as well as income, resources, or tax-supported services voluntarily lost or reduced during the 60 days previous to application. This bill expands this definition to include lump sum payments from tax refunds, lawsuits, inheritances, or pension payments of at least \$400 expended on something other than basic necessities when there were amounts due for basic necessities.

(C) The bill limits: (1) interim medical assistance by a township to 90 days; and (2) prescription drug coverage and insulin to a 30-day supply, unless the drugs or insulin are only available in a container that contains more than a 30-day supply.

(D) The bill also provides that private insurance coverage of the medical treatment received disqualifies an individual from receiving township medical assistance unless the insurance does not pay for the medical assistance due to a policy deductible or other policy limitation.

(E) If a township trustee provides assistance for medical services to an individual who subsequently is determined eligible for Medicaid, the trustee is to notify the medical provider, the medical provider is to submit a claim to the Office of Medicaid Policy and Planning (OMPP) for reimbursement, and upon receiving the reimbursement, the medical provider is to reimburse the township trustee. The Medicaid program could incur some additional expenditures for those services where Medicaid reimbursement would not have otherwise been claimed.

The following are provisions of the bill that could result in increased costs in a township's Poor Relief program.

(B) The bill allows for compensation of a hearing officer who conducts hearings of poor relief appeals. Currently, this is prohibited and attorneys serve as hearing officers for no pay or county commissioners perform this function. This provision permits, but does not require, the reimbursement of hearing officers. The expense would be to the county.

(G) The bill repeals a provision stating that a township is not obligated to assist individuals who receive state assistance. This would permit township trustees to provide assistance to individuals who also receive TANF assistance.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures* regarding potential Medicaid reimbursement to townships.

**State Agencies Affected:** Office of Medicaid Policy and Planning.

**Local Agencies Affected:** Townships.

**Information Sources:** Steve Buschmann, Thrasher, Buschmann, Griffith, and Voekel, (317) 626-4773.

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